Exhibit 17

Relevant Portions of MPT's 2021 Form 10-K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________ to ________
Commission file number 001-32559
Commission file number 333-177186

Medical Properties Trust, Inc.
MPT Operating Partnership, L.P.

(Exact Name of Registrant as Specified in Its Charter)

Maryland **Delaware** **(State or Other Jurisdiction of Incorporation or Organization)**	**20-0191742** **20-0242069** **(IRS Employer Identification No.)**
1000 Urban Center Drive, Suite 501 **Birmingham, AL** **(Address of Principal Executive Offices)**	**35242** **(Zip Code)**

(205) 969-3755
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value $0.001 per share, of Medical Properties Trust, Inc.	MPW	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Medical Properties Trust, Inc. Yes ☒ No ☐ MPT Operating Partnership, L.P. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Medical Properties Trust, Inc. Yes ☐ No ☒ MPT Operating Partnership, L.P. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Medical Properties Trust, Inc. Yes ☒ No ☐ MPT Operating Partnership, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Medical Properties Trust, Inc. Yes ☒ No ☐ MPT Operating Partnership, L.P. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Medical Properties Trust, Inc.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

MPT Operating Partnership, L.P.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Act).

Medical Properties Trust, Inc. Yes ☐ No ☒ MPT Operating Partnership, L.P. Yes ☐ No ☒

As of June 30, 2021, the aggregate market value of the 584.1 million shares of common stock, par value $0.001 per share ("Common Stock"), held by non-affiliates of Medical Properties Trust, Inc. was $11.7 billion based upon the last reported sale price of $20.10 on the New York Stock Exchange on that date. For purposes of the foregoing calculation only, all directors and executive officers of Medical Properties Trust, Inc. have been deemed affiliates.

As of February 18, 2022, 599.9 million shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive Proxy Statement of Medical Properties Trust, Inc. for the Annual Meeting of Stockholders to be held on May 26, 2022 are incorporated by reference into Items 10 through 14 of Part III, of this Annual Report on Form 10-K.

Our Leases and Loans

The leases of our facilities are generally "net" leases with terms requiring the tenant to pay all ongoing operating and maintenance expenses of the facility, including property, casualty, general liability, and other insurance coverages, utilities, and other charges incurred in the operation of the facilities, as well as real estate and certain other taxes, ground lease rent (if any), and the costs of capital expenditures, repairs, and maintenance (including any repairs mandated by regulatory requirements). Similarly, borrowers under our mortgage loan arrangements retain the responsibilities of ownership, including physical maintenance and improvements and all costs and expenses. Our leases and loans typically require our tenants to indemnify us for any past or future environmental liabilities. Our current leases and loans have a weighted-average remaining initial term of 17.8 years (see Item 2 for more information on remaining lease and loan terms) and most include renewal options at the election of our tenants. Based on current monthly revenue, over 99% of our leases provide annual rent escalations based on increases in the Consumer Price Index ("CPI"), or similar indexes for properties outside the U.S. and/or fixed minimum annual rent escalations.

RIDEA and Similar Investments

We have made, and may make in the future, investments in the operations of our tenants in the form of equity investments, loans (with equity-like returns), or profit interests. Some of these investments fall under a structure permitted by the REIT Investment Diversification and Empowerment Act of 2007 ("RIDEA"). Under the provisions of RIDEA, a REIT may lease "qualified health care properties" on an arm's length basis to a TRS that owns health operations so long as the property is operated by an entity that qualifies as an "eligible independent contractor." We view RIDEA as a structure primarily to be used on properties that present attractive valuation entry points. At December 31, 2021, our RIDEA and similarly structured investments totaled approximately $1 billion.

Significant Tenants

On a total pro forma gross asset basis, our top five tenants were as follows (dollars in thousands):

Total Pro Forma Gross Assets by Operator

	As of December 31, 2021		As of December 31, 2020	
Operators	Total Pro Forma Gross Assets	Percentage of Total Pro Forma Gross Assets	Total Pro Forma Gross Assets	Percentage of Total Pro Forma Gross Assets
Steward				
Florida market	$ 1,334,834	6.0%	$ 215,105	1.1%
Massachusetts market(1)	1,177,914	5.3%	1,500,915	7.3%
Texas/Arkansas/Louisiana market	1,129,624	5.1%	1,045,982	5.1%
Arizona market	338,612	1.5%	332,239	1.6%
Ohio/Pennsylvania market	141,506	0.6%	151,785	0.7%
Utah market(1)	—	—	1,260,147	6.2%
Circle	2,481,001	11.1%	2,520,019	12.3%
Prospect	1,631,691	7.3%	1,597,950	7.8%
Swiss Medical Network	1,300,431	5.8%	1,177,520	5.8%
HCA(1)	1,240,546	5.6%	8,844	—
Other operators	10,632,605	47.6%	9,826,336	48.2%
Other assets	920,573	4.1%	792,739	3.9%
Total	$ 22,329,337	100.0%	$ 20,429,581	100.0%

(1) 2021 column is shown pro forma for the pending transactions discussed in Note 3 and Note 8 to Item 8 of this Annual Report on Form 10-K.

Steward

Affiliates of Steward Health Care System LLC (collectively, "Steward") lease 39 facilities across six different markets pursuant to one master lease agreement, which had an initial 15-year term with three five-year extension options (two of which were exercised in August 2021 to extend the initial fixed term to October 2041), plus annual inflation-based escalators. At December 31, 2021, these facilities had an average remaining initial lease term of 19.8 years. The master lease agreement's remaining five-year extension option must include all leased properties, if elected. The master lease includes a right of first refusal for the repurchase of the leased properties. In addition to the master lease, we hold a promissory note totaling approximately $44 million, which consists of three tranches with varying terms. On January 8, 2021, we made a $335 million loan to affiliates of Steward, the terms of which provide us

opportunities for participation in the value of Steward's growth. All of the proceeds from this loan were used to redeem a similarly sized convertible loan from Steward's former private equity sponsor. Finally, we hold a 9.9% equity investment in Steward.

As previously announced, on August 28, 2021, we entered into a definitive agreement with Macquarie Asset Management ("MAM") to form a partnership, pursuant to which a fund managed by MAM will acquire a 50% interest in a portfolio of eight Massachusetts-based general acute care hospitals that we currently own and lease to Steward. We expect to close this transaction in the first quarter of 2022.

Additionally, on September 15, 2021, we entered into definitive agreements to lease five general acute care hospitals located in Utah to HCA Healthcare, Inc. ("HCA") following an agreement by HCA to purchase the operations of these facilities from Steward. We expect this transaction will close during the first half of 2022.

Circle

Affiliates of Circle Health Ltd. (collectively, "Circle") lease 36 facilities pursuant to separate lease agreements. Of these leases, 31 are cross-defaulted individual leases guaranteed by Circle and have initial fixed terms ending in 2050, with two five-year extension options plus annual inflation-based escalators. The remaining five facilities are leased pursuant to four separate leases with a weighted-average remaining initial fixed life of 14.6 years along with annual inflation-based escalators and extension options.

Prospect

Affiliates of Prospect Medical Holdings, Inc. (collectively, "Prospect") lease 13 facilities pursuant to two master lease agreements. Both master leases had initial fixed terms of 15 years (ending in August 2034) and contain two extension options of five years and one extension option of four years and nine months, plus annual inflation-based escalators. In addition to these master leases, we hold a mortgage loan secured by a first mortgage on an acute care hospital and a term loan. The master leases, mortgage loan, and term loan are all cross-defaulted and cross-collateralized.

Swiss Medical Network

Affiliates of Swiss Medical Network lease 17 facilities (all of which are owned through our Infracore SA ("Infracore") joint venture arrangement – see Note 3 to Item 8 of this Annual Report on Form 10-K for more information) pursuant to 18 stand-alone leases, most of which end in 2040 or later. None of the master lease agreements have renewal or repurchase options, and each lease provides for fixed increases or inflation-based escalators. We also made a CHF 145 million investment in Swiss Medical Network on April 16, 2021.

HCA

Currently, HCA leases four facilities pursuant to one master lease agreement with varying initial terms approximating ten years, multiple extension options of five years each, and annual inflation-based escalators. As stated above, we entered into definitive agreements to lease five general acute care hospitals located in Utah to HCA. These facilities will be subject to a master lease with an initial term of 15 years with five extension options of five years each and annual inflation-based escalators. HCA will have certain options to purchase the facilities starting in 2028, while we will have certain options to sell the facilities to HCA. The purchase price under either option scenario will not be less than fair value.

No other tenant accounted for more than 6% of our total pro forma gross assets at December 31, 2021.

Environmental Matters

Under various U.S. federal, state, and local environmental laws and regulations and similar international laws, a current or previous owner, operator, or tenant of real estate may be required to remediate hazardous or toxic substance releases or threats of releases. There may also be certain obligations and liabilities on property owners with respect to asbestos containing materials. Investigation, remediation, and monitoring costs may be substantial. The confirmed presence of contamination or the failure to properly remediate contamination on a property may adversely affect our ability to sell or rent that property or to borrow funds using such property as collateral and may adversely impact our investment in that property. Generally, prior to completing an acquisition or closing a mortgage loan, we obtain Phase I environmental assessments (or similar studies outside the U.S.) in order to attempt to identify potential environmental concerns at the facilities. These assessments are carried out in accordance with an appropriate level of due diligence and generally include a physical site inspection, a review of relevant environmental and health agency database records, one or more interviews with appropriate site-related personnel, review of the property's chain of title, and review of historic aerial photographs and other information on past uses of the property. We may also conduct limited subsurface investigations and test for substances of concern where the results of the Phase I environmental assessments or other information indicates possible contamination or where our consultants recommend such procedures. Upon closing and for the remainder of the lease or loan term,

Other Leasing Activity

2021 Activity

On December 23, 2021, LifePoint announced the completion of the transaction with Kindred Healthcare ("Kindred"), in which LifePoint acquired Kindred, and announced the related launch of ScionHealth, a new healthcare company made up of a combination of former Kindred and LifePoint hospitals. With this transaction, we have eight properties leased to ScionHealth and nine properties leased to LifePoint.

2020 Activity

On July 24, 2020, we re-leased our five San Antonio, Texas free standing emergency facilities (with a total investment of approximately $30 million) to Methodist Healthcare System of San Antonio, a joint venture between HCA and Methodist Healthcare Ministries of South Texas, pursuant to a long-term master lease. As a result, we recorded an approximate $1.5 million write-off of straight-line rent in the 2020 third quarter.

Loans

The following is a summary of our loans (net of allowance for credit loss) ($ amounts in thousands):

	As of December 31, 2021		As of December 31, 2020	
	Balance	**Weighted-Average Interest Rate**	**Balance**	**Weighted-Average Interest Rate**
Mortgage loans	$ 213,211	8.7%	$ 248,080	8.5%
Acquisition loans	523,829	7.7%	338,273	7.6%
Other loans	804,824	6.2%	520,095	5.8%
	$ 1,541,864		$ 1,106,448	

Our mortgage loans at December 31, 2021 cover five of our properties with three operators.

The increase in acquisition loans primarily relates to the $185 million loan to Springstone in the fourth quarter of 2021.

Other loans consist of loans to our tenants for working capital and other purposes and include our shareholder loan made in 2018 to the joint venture with Primotop in the amount of €297 million. The increase in other loans is primarily related to the $335 million loan to affiliates of Steward (as more fully described above), partially offset by the repayment of $75 million in other loans from Prime.

Other Investment Activities

On October 13, 2021, we funded an additional €27 million to Priory in order to maintain our 9.9% equity interest.

Pursuant to our existing 9.9% equity interest in Steward, we received an $11 million cash distribution during the first quarter of 2021, which was accounted for as a return of capital.

Pursuant to our 4.9% stake in Aevis, we recorded an $8.2 million favorable non-cash fair value adjustment to mark our investment in Aevis stock to market during 2021; whereas, this was a $5.8 million unfavorable non-cash fair value adjustment for 2020.

Concentration of Credit Risks

We monitor concentration risk in several ways due to the nature of our real estate assets that are vital to the communities in which they are located and given our history of being able to replace inefficient operators of our facilities, if needed, with more effective operators:

1) Facility concentration – At December 31, 2021, our largest single property represented approximately 2.7% of our total assets, slightly down from the 3.2% at December 31, 2020.

2) Operator concentration – For the year ended December 31, 2021, revenue from Steward, Circle, and Prospect individually represented more than 10% of our total revenues. In comparison, Steward, Circle, Prospect, and Prime individually represented more than 10% of our total revenues for the year ended December 31, 2020.

3) Geographic concentration – At December 31, 2021, investments in the U.S, Europe, Australia, and South America represented approximately 64%, 30%, 5%, and 1%, respectively, of our total assets compared to 65%, 28%, 6%, and 1%, respectively, of our total assets at December 31, 2020.